

3 December 1985

U.S. urges judge to give Rewald 100-year sentence

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The prosecution, charging that an unrepentant Ronald Rewald tried to defraud film star Bo Derek even while he was waiting for trial, yesterday asked that Rewald be sentenced to 100 years in prison for fraud, perjury and tax evasion.

The government also asked that Rewald be ordered to make full restitution to all victims of his crimes, and pay the costs of his prosecution, although prosecutors conceded it is unlikely the penniless Rewald will be able to do so "immediately."

Rewald was convicted by a federal jury Oct. 21 on 94 counts arising from his operation of the phony firm of Bishop Baldwin Rewald Dillingham & Wong since 1978. He faces as much as 481 years in prison when sentenced Monday by U.S. District Judge Harold Fong.

In a sentencing memo filed with the court, the prosecution said Rewald is incapable of ever speaking the truth or being a productive citizen.

"His only capability is to steal money and hurt people," Assistant U.S. Attorney John Peyton said. As a result, the government said, Rewald "should be imprisoned for the rest of his natural life."

The government charged that Rewald:

- Beginning in Wisconsin nearly 20 years ago "has manipulated and defrauded people who trusted him and were taken in by his charisma, lies and carefully-cultivated image," including the 400 investors who entrusted him with \$22 million in Hawaii.

- "Deliberately set up the CIA and its employees" as his alibi for fraud, turning the trust of a handful of CIA employees "into barbed spears which he tried to use to rip the guts out of these individuals and to damage the CIA."

- Encouraged the dissemination of false stories that the CIA stole \$22 million from Americans and that the CIA then plotted to kill Rewald to cover up its secret.

- Shattered or tarnished the lives and careers of dozens of Bishop Baldwin employees, falsely painting many of them as top CIA agents.

Film star Derek, in an affidavit filed in court yesterday, said Rewald told her Dec. 30 that he had 66 companies for the purpose of moving and laundering money for the CIA. Rewald was meeting with Derek and her husband, producer-actor-photographer John Derek, at their California home to discuss \$21 million in financing for her next three films, she said.

California producer Ronald Kauffman and Rewald were to finance the films, and Rewald was to be the executive producer, the government said.

"Rewald strongly implied that he was still working 'with' the CIA but no longer as an employee and that these 66 companies and his ability to make money available for our films were interrelated," she said.

"What particularly impressed me about his references to the CIA and his companies was his references to being able to control 'negative press' to all our advantages. These references plus remarks about **unseen people** watching our activities, scared me and angered my husband and because of this we contacted the FBI."

Derek, who played an alluring young beauty opposite Dudley Moore in "10," and more recently starred in "Bolero," said that "at no time did Rewald inform us that he had been indicted by a federal grand jury in Hawaii and we only learned about this from others."

Derek said Rewald was the "Mr. Big" introduced to them by Kauffman, and "it was clear that Rewald was Kauffman's boss, not the other way around as Kauffman had told us before the meeting. Rewald explained that he needed a clean and legitimate company to deal with the Securities and Exchange Commission, which is why he said he was using Kauffman and Kauffman's "Voyager Communications" company.

The prosecution said Rewald also cheated Kauffman, to whom he had sold the rights to his life story for \$25,000. "It didn't take Rewald very long to sell it a second time," the government said, citing a July 8 mailgram from Rewald to Kauffman to that effect.

The government said one Hawaii resident, learning that Rewald was no longer employed by Kauffman, and believing Rewald's bail might be revoked if he were not employed, offered Rewald \$1,000 a week to assist in opening an office for him in the Los Angeles area.

"Rewald took \$20,000 in salary from this man without doing any work whatsoever for him," the government said.

The benefactor was identified only as someone who had himself successfully solicited a number of investors for Rewald, all of whom lost their money. The benefactor believed, the government said, that if Rewald was acquitted the CIA would have to reimburse all investors.

The prosecution said a 100-year sentence was warranted because of "the severity of the crimes, the total absence of any sign of rehabilitation . . ."

The government asked that Rewald be required to pay as restitution to his victims all his income while in prison and at least one half of his income while on probation if he should ever be released.